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10/720,914

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Robert Longman

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EXAMINER

ZURITA, JAMES H

ART UNIT

PAPER NUMBER

3625

MAIL DATE

DELIVERY MODE

12/02/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

| | | | |
|------------------------------|--------------------------------------|---------------------------------------|--|
| Office Action Summary | Application No. 10/720,914 | Applicant(s) LONGMAN ET AL. | |
| | Examiner JAMES ZURITA | Art Unit 3625 | |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 07/21/2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,2,5,6 and 12-25 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,2,5,6 and 12-25 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

On 21 July 2008, applicant amended claims 1-2, 5-6, cancelled claims 3, 4, 7-11.

Claims 12-25 are new.

Claims 1-2, 5-6 and 12-25 are pending and will be examined.

Claim Objections

The following claims contain minor informalities:

Claim 15 appears to contain a word processing error "...which operates on said computer server to allow said seller [...] **enter** [sic] to calculate a total transaction cost amount and deliver ..."

In claim 25, means for is absent in the last limitation.

Appropriate correction, if any, is required.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-2, 5-6 and 12-25 are rejected under 35 U.S.C. 101 because the claims are directed to non-statutory subject matter. Based on Supreme Court precedence see *Diamond v Diehr* 450 US 175,184 (1981); *Parker v. Flook*, 437 US 584,588,n. 9 (1978); *Gottschalk v Benson*, 409 US 63, 70 (1972); *Cochrane v Deener*, 94 US 780, 787-88 (1876) a 101 process must (1) be tied to another statutory class (such as an apparatus)

or transform underlying subject matter (such as an article or materials) to a different state or thing. Since neither of these requirements is met by the claim the claim is rejected as being directed to non-statutory subject matter.

Claim Rejections - 35 USC § 112

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Regarding claim 14, the phrase "such as" renders the claim indefinite because it is unclear whether the limitations following the phrase are part of the claimed invention. See MPEP § 2173.05(d).

In claim 25, the phrase "means for" appear to be an attempt to invoke 35 U.S.C. 112, sixth paragraph, to recite claim element as a means for performing a specified function. However, since the disclosures provide insufficient structural support for the claims, it is impossible to determine the equivalents of the element, as required by 35 U.S.C. 112, sixth paragraph. See *Ex parte Klumb*, 159 USPQ 694 (Bd. App. 1967). For purposes of this examination, the claim will be interpreted to not invoke the sixth paragraph.

Prior art will be interpreted to read on applicant's claimed limitations where prior art discloses that the structure is reasonable capable of performing the recited functions.

Claim Rejections - 35 USC § 103

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 1-2, 5-6 and 12-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Atkinson (US PB-PUB 20010039528) in view of Dabney (US 20040128224 A1).

As per claim 1, Atkinson discloses method(s) of conducting a *sealed* offer auction, the method comprising:

1. conducting a first round of a online auction process, Atkinson, paragraph 0071, for example.
2. offering at least two products in the first round by a seller of the product.
Atkinson, at least paragraph 0110.
3. accepting *sealed* first round bids for the product during the first round from bidders based on a perception of the value of the product. Atkinson, paragraph 0051.
4. sorting the *sealed* first round bids based on a time of entry of the first round bids
Atkinson, at least paragraph 0015, for example.
5. selecting at least one winner of the first round. Atkinson, at least paragraph 0071, for example.
6. *entitling* each buyer who placed a winning bid to only one of the products;
Atkinson, paragraph 0107, for example. See also paragraph 0071, where a first round winner is excluded from further participation.

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7. setting the winning bid of the first round to be a single price for all winners. See, for example, Atkinson, paragraph 0076, where the first round price is utilized as the initial and/or ceiling bid for each bidder in the second round.
8. calculating the winning bid based on a predetermined statistical averaging method. See, for example, Atkinson, paragraph 0015 and references to formula.

As per claim 1, Atkinson does not specifically disclose

that the auction is a no reserve auction.

9. requiring the winners to leave online comments about the product upon receipt of the product;

10. determining a true market price for the product based on the first round bids and the online comments; and

11. marketing the product at the true market price.

Dabney discloses that an auction with no reserve (Dabney, paragraph 0462, for example). Dabney discloses that winners will be required to leave online comments about the product upon receipt of the product (Dabney, see paragraph 0436, for example).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Atkinson and Dabney to disclose an auction with no reserve and that winners will be required to leave online comments about the product upon receipt of the product because the incorporation of such features is no more than the predictable use of prior art elements according to their established function.

Atkinson discloses determining a true market price for the product based on first round bids. Atkinson and Dabney do not specifically disclose

10. determining a true market price for the product based on the first round bids and the online comments; and

11. marketing the product at the true market price.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to extend Atkinson and Dabney to disclose

10. determining a true market price for the product based on the first round bids and the online comments; and
11. marketing the product at the true market price

because the incorporation of such features is no more than the predictable use of prior art elements according to their established function and it would have been obvious to combine prior art elements according to known methods to yield predictable results.

As per claim 2, Atkinson discloses that the auction is selected from the group consisting of: an online auction, an auction for goods, an auction for services, an auction for rights, and an auction for properties. Atkinson, Internet, paragraph 0047, for example.

As per claim 5, Atkinson discloses that the Auction System Provider is selected from the group consisting of: an online auction service provider and an online auction host. Atkinson, at least paragraph 0047. see also Fig. 1A-C, and references to sponsor, for example.

Claim 6, drawn to a system, is rejected on the same grounds as claim 1.

As per claim 12, Atkinson discloses a system time tracker which operates on said computer server to track bids posted by said plurality of individual buyers according to time of entry of said bids. see, for example, Atkinson, at least paragraph 0051.

As per claim 13, Dabney discloses an email system which operates on said computer server to send said seller and said plurality of individual buyers a list of winners of the auction listing, the email system allowing communications between said

seller and said plurality of individual buyers regarding the auction. See, for example, at least Dabney, paragraph 0007.

As per claim 14, Atkinson discloses , a database system which operates on said computer server to store information or data such as user IDs, passwords, email addresses, contact information, credit card numbers, banking account numbers, feedback histories, and all information related to auction listing, processing, and ending results. See, for example, Atkinson, paragraph 0064.

As per claim 15, Atkinson and Dabney do not specifically disclose a check out system which operates on said computer server to allow said seller enter to calculate a total transaction amount and deliver said seller's contact information via email to said plurality of individual buyers; and wherein the said check out system is programmed to display said winners' contact information to said seller upon the auction closing.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Atkinson and Dabney to disclose a check out system which operates on said computer server to allow said seller enter to calculate a total transaction amount and deliver said seller's contact information via email to said plurality of individual buyers; and wherein the said check out system is programmed to display said winners' contact information to said seller upon the auction closing because the incorporation of such features is no more than the predictable use of prior art elements according to their established function.

As per claim 16, Atkinson discloses that the listing includes an attribute of the product selected from the group consisting of: a name of the product, a description of

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the product, a use for the product, an image of the product, and a quantity of the product. See, for example, Atkinson, at least paragraphs 14, 16, 36, 45 and 110.

As per claim 17, Atkinson discloses that the listing includes an attribute of the auction selected from the group consisting of: an auction duration, a number of rounds of the auction, and effective level of the auction, a time interval of the product, and a webpage displaying the auction. Atkinson, see, for example, at least paragraph 0046.

As per claim 18, Atkinson discloses keeping track of a number of rounds of the auction that have been completed and a number of rounds of the auction to be completed. See, for example, Atkinson, at least Fig. 5-6 and related text.

Claim 19 is rejected on the same grounds as claim 1.

As per claim 20, Atkinson discloses that the seller describes usages and benefits of the product. Atkinson, see at least references to custom products, as in para 0010.

As per claim 21, Atkinson discloses scheduling a deadline for the auction by the seller of the product; and tracking the deadline by an auction system provider. See, for example, Atkinson, paragraph 0060 and references to starting and ending times of a scheduled auction.

As per claims 22-24, Atkinson discloses setting rules. See, for example, at least Fig. 6 and related text, such as paragraph 0076.

Atkinson and Dabney do not specifically disclose

selecting a number of rounds of the auction by the seller of the product; and tracking the number of rounds by an auction system provider (claim 22)

setting the number of winning first-round bids to be equal to the number of products if the number of products is greater than the number of first round bids (claim 23)

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setting an effective level for the first round; determining if the number of first-round bids is equal to at least the effective level; and invalidating the first-round bids if the number of first-round bids is less than the effective level (claim 24).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Atkinson and Dabney to disclose

selecting a number of rounds of the auction by the seller of the product; and tracking the number of rounds by an auction system provider (claim 22)

setting the number of winning first-round bids to be equal to the number of products if the number of products is greater than the number of first round bids (claim 23)

setting an effective level for the first round; determining if the number of first-round bids is equal to at least the effective level; and invalidating the first-round bids if the number of first-round bids is less than the effective level (claim 24).

because the incorporation of such features is no more than the predictable use of prior art elements according to their established function.

Claim 25 is rejected on the same grounds as claim 1.

Response to Arguments

Applicant's arguments filed 07/21/2008 have been fully considered but they are not persuasive.

Applicant argues that Atkinson does not disclose the recitation, "...entitling each buyer who placed a winning bid to only one of the products..." since, as per Applicant, Atkinson teaches that,

"...the total volume is a range of volumes...

...at least one supply contract is usually drawn up and executed based on the results of the auction...

...allows a purchaser to purchase a quantity of goods or service that is greater than the quantity that at least one bidding supplier is able to provide in a single auction round...

...allows a purchaser to vary the volume that it will purchase in an auction depending upon the bids received during that auction...

... determining a range of volume to be allocated to the first bidder...

...industrial buyers...do not typically purchase one component at a time..."

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In response, the Examiner notes that Atkinson does not limit his disclosures to volume or range of volumes, as applicant states. For example, Atkinson discloses setting a price for a custom product, as in paragraph 0010. Atkinson also discloses setting a price for specific lot of items, as in paragraph 0036. See, for example,

...The volume may be expressed in a variety of units including, for example, a **number of products to be provided**, a number of hours to be expended performing a service, or as a percentage of a total requirement. [Atkinson, paragraph 0110, emphasis added]

The Examiner respectfully submits that he cites particular columns and line numbers in the references as applied to the claims for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within individual claims, other passages and figures may apply as well. It is respectfully requested that, in preparing responses, the applicant fully consider references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Wertenbouch, Klaus, Measuring consumers' willingness to pay at the point of purchase. JMR Journal of Marketing Research, Chicago, May 2002, vol. 39, Iss. 2, p. 228. Downloaded from ProQuest Direct on the Internet on 25 November 2008, 22 pages.

Pinker, Edieal, Managing online auctions: Current business and research issues, Management Science, Linthcum, Nov. 2003, Vol. 49, Iss. 11, p. 1457. Downloaded from ProQuest Direct on the Internet on 25 November 2008. 38 pages.

Ozer, Muammer, Research Technology Management. Arlington. Jan/Feb 2003, Vol. 46, Iss. 1, p. 10. Downloaded from ProQuest Direct on the Internet on 25 November 2008, 13 pages.

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAMES ZURITA whose telephone number is (571)272-6766. The examiner can normally be reached on 8am-5pm.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on (571)272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James Zurita/
Primary Examiner
Art Unit 3625
27 November 2008